

# FASCISM

its most advanced form  
is here in America

by George Jackson



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For a man in prison the power relationships of Amerikan society are as immediate as a nightstick cracking your front teeth. For a black man, that prison is a concrete and steel mirror reflecting black history and framing black existence. There is an incisiveness, an accuracy of analysis accorded to a view punctuated by steel bars, from the inside looking out.

Beyond the bolted door of the cage blacks are pitted against whites, left against right, and above all authority against the population at large. To refuse to recognize the relevant power relationships, as most do outside of the cage, becomes deathly dangerous to those within. In order to survive the caged must recognize and understand their enemy. This comes naturally: only outside do complacent prisoners fail to see that they even have one at all.

It is this basic wisdom that George Jackson cultivated and smuggled out of Soledad prison in the revolutionary hope that some would be awakened from the Amerikan Zombie dream. Fifteen years later it is painfully clear that this has not happened, not even to the most modest degree. Perversely, this in and of itself testifies to the accuracy of Jackson's own analysis. Yet, George Jackson's writings are bathed in an optimism which his own theories of fascism and historical knowledge of its' trends could not hold, an optimism necessary to pull himself up from the bare floor every morning amidst the darkness and shit and sadism and still find the spirit, the compassion, the love to continue struggling; to struggle for all of us prisoners, black and white.

George L. Jackson was born on September 23rd, 1941 the second of six children and only son of Lester and Georgia Jackson. Raised in Chicago, Jackson attended a Catholic mission school in the heart of the ghetto. The rebellious acolyte and choir boy was offered the full range of Western propaganda by white nuns and priests in a school divided in two by a street, and effectively separated by race. Jackson would later reflect that "...the most damaging thing a people in a colonial situation can do is to allow their children to attend any educational facility organized by the the dominant enemy culture".

In 1956 Jackson and his father moved to the Los Angeles area, where Jackson's first brush with the law occurred the day he arrived after he drove his fathers' car through a barbershop window. After an alleged department store burglary attempt in which Jackson was shot twice, he was sent to the Paso Robles Youth Correction Facility for several months. Later still, Jackson escaped from the Kern county jail by impersonating charges. Finally, the State of California was able to imprison Jackson for the rest of his life beginning in 1960 following a gas station robbery trial in which the white station attendant was not allowed to testify that Jackson had not participated in the robbery. Jackson's state-provided lawyer convinced him to accept a plea bargain in exchange for a "light" county jail sentence. Having lost all chances for appeal at this point, the State instead sentenced Jackson one year to LIFE at San Quentin, and later, Soledad prisons.

Jackson used the time to build a revolutionary intellect, and soon merited special harassment from a sadistic prison system. On January 16th, 1970 a white guard at Soledad was murdered in retribution for the shooting murders of three black prisoners that had occurred three days previous. Jackson became one of a group of three black prisoners set up to take the fall and was indicted with the others on February 17th, 1970 for assault and murder: charges that would carry a mandatory death sentence for Jackson upon conviction. The trial would never reach that stage.

After a year-and-a-half of obstructive efforts by the D.A. Prison officials, and the State against Jackson's defense attempt of August 21st, 1971. Three white guards and two white prisoners also died, and six black prisoners were subsequently charged with their murders. No serious attempt was ever made to investigate who really killed Jackson, while business is busy as ever in the California State Prison System.



Comrade John\*

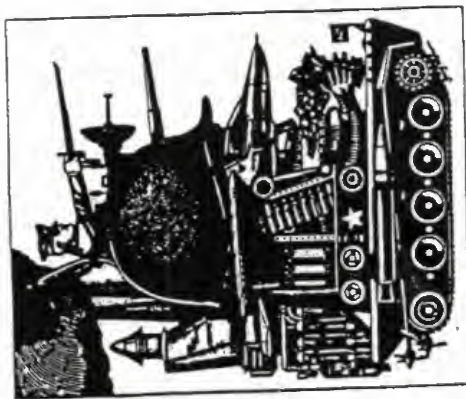
I've just finished rereading Angela's analysis of fascism (she's a brilliant, "big," beautiful revolutionary woman—ain't she!). I've studied your letters on the subject carefully. It could be productive for the three of us to get together at once and subject the whole question to a detailed historical analysis. There is some difference of opinion and interpretation of history between us, but basically I think we are brought together on the principal points by the fact that the three of us could not meet without probably causing World War III.

Give her my deepest and warmest love and ask her to review these comments. This is not all that I will have to say on the subject. I'll constantly return to myself and reexamine. I expect I will have to carry this on for another couple of hundred pages. We'll deal with the questions as they come up, but for now this should provoke both of you to push me on to a greater effort.

The basis of Angela's analysis is tied into several old left notions that are at least open to some question now. It is my view that out of the economic crisis of the last great depression fascism-corporatism did indeed emerge, develop and consolidate itself into its most advanced form here in Amerika. In the process, socialist consciousness suffered some very severe setbacks. Unlike Angela, I do not believe that this realization leads to a defeatist view of history. An understanding of the reality of our situation is essential to the success of future revolutionizing activity. To contend that corporatism has emerged and advanced is not to say that it has triumphed. We are not defeated. Pure fascism, absolute totalitarianism, is not possible.

Hierarchy has had six thousand years of trial. It will never succeed for long in any form. Fascism and its historical significance is the point of my whole philosophy on politics

\*John Thorne, the author's lawyer.



To fight effectively, we must be aware of the fact that the enemy has consolidated through reformist machination the greatest community of self-interest that has ever existed.

Our insistence on military action, defensive and retaliatory, has nothing to do with romanticism or precipitous idealistic fervor. We want to be effective. We want to live. Our history teaches us that the successful liberation struggles require an armed people, a whole people, actively participating in the struggle for their liberty!

The final definition of fascism is still open, simply because it is still a developing movement. We have already discussed the defects of trying to analyze a movement outside of its process and its sequential relationships. You gain only a discolored glimpse of a dead past.

No one will fully comprehend the historical implications and strategy of fascist corporativism except the true fascist manipulator or the researcher who is able to slash through the smoke screens and disguises the fascists set up. Fascism was the product of class struggle. It is an obvious extension of capitalism, a higher form of the old struggle—capitalism versus socialism. I think our failure to clearly isolate and define it may have something to do with our insistence on a full definition—in other words, looking for exactly identical symptoms from nation to nation. We have been consistently misled by fascism's nationalistic trappings. We have failed to understand its basically international character. In fact, it has followed international socialism all around the globe. One of the most definite characteristics of fascism is its international quality.

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The trends toward monopoly capital began effectively just after the close of the Civil War in America. Prior to its emergence, bourgeois democratic rule could be said to have been the predominant political force inside American society. As monopoly capital matured, the role of the old bour-

lesser attempts at suppression had been made prior to the war through the typical reformist policies of modern fascist regimes. The economy had been closed, banks regulated, deficit spending had been practiced on projects like TVA and CCC. The arms race that eventually culminated in the fascist military-industrial-complex-based economy broke the closed economic ideal. Two conditions distinguished the successful establishment of fascism in this country. The old vanguard parties copped out and supported a nation-state ruling-class war which wasted the blood and energy of their proletarians. At the time, resistance to the war would have seemed like simple common sense. If Stalin gave the order to support the U.S. war effort, he was a fool. In any case, the old vanguards' support should have been for the people's struggle inside the U.S.

With a little more patience and sacrifice, Stalin could have eventually marched to the Atlantic. With all of Europe in ruins and the German economy already in its final stages of disintegration with the U.S. presence in Europe, capitalism could be dead today. Instead, U.S. imperialism rose to behemoth proportions. After the war, international markets opened in Europe, Africa and Asia with the flea market of radios, TVs and novelties here at its center. For the sake of these trinkets and baubles, the labor elites diffused the righteous demands of the people. Consensus politics formed as a result of their defection simply solidified the totalitarian regime with all the opinion-molding facilities under the ruling classes. Elections and political parties have no significance when all serious contenders for public office are fascist and the electorate is thoroughly misled about the true nature of the candidates. One cannot say all the people who vote are unaware, just as one cannot say the twelve hundred professors who backed Mussolini were all frightened. Those who are aware and still do nothing constructive are among the most pathetic victims of the totalitarian process.

The necessary shock troops and tools for creating the false contra-positive psycho-social basis of a fascist-type



Detachment)—the 113th military intelligence group—is designed for the surveillance of private citizens. The police state isn't coming—it's here, glaring and threatening.

How do we raise a new revolutionary consciousness against a system programmed against our old methods? Revolution is against the law. It will not be allowed, not in significant form. That makes the true revolutionary an outlaw, and the black revolutionary a "doomed man." As blacks, we must function as the vanguard in any hostilities. We must use a new approach, unite and revolutionize the black central-city commune, and slowly provide the people with the incentive to fight by allowing them to create programs that will meet all of their social, political and economic needs. We must fill the vacuums left by the established order. We must push the settlers off our land when they won't cooperate with the new communal life of our system. We must learn from the people, we must learn from the workers, the discipline they are so highly skilled in. In return, we must teach them the benefits of our revolutionary ideals. We must move blacks to the forefront of a really productive assault on the outside enemy reactionary culture, not only on the production level, but in all significant areas of property relations. We must promote and support *enforced* rent strikes. Merchants must come over to our side, or face the appropriation of their property for the commune. We must build a subsistence economy and a socio-political infrastructure so that we can become an example for all revolutionary people.

Fascism has established itself in a most disguised and efficient manner in this country. It feels so secure that the leaders allow us the luxury of faint protest. Take protest too far, however, and they will show their other face. Doors will be kicked down in the night and machine-gun fire and buckshot will become the medium of exchange.

I am an extremist, a communist (not communistic, a communist), and I must be destroyed or I will join my comrades in the only communist party in this country, the Black

power. Meanwhile, the world situation was no longer the same: the balance of forces between imperialism and the socialist camps had fundamentally changed; imperialism no longer ruled over the world, nor did it play a decisive role in the development of the world situation" (Vo Nguyen Giap).

In my analysis, I'm simply taking into account the fact that the forces of reaction and counterrevolution were allowed to localize themselves and radiate their energy here in the U.S. The process has created the economic, political and cultural vortex of capitalism's last *re-form*. My views correspond with those of all the Third World revolutionaries. And if taken in the international sense, they are aggressive and realistic.

The second notion that stands in the way of our understanding of fascist-corporativism is a semantic problem. When I am being interviewed by a member of the old guard and point to the concrete and steel, the tiny electronic listening device concealed in the vent, the phalanx of goons peeping in at us, his barely functional plastic tape-recorder that cost him a week's labor, and point out that these are all manifestations of fascism, he will invariably attempt to refute me by defining fascism simply as an economic geo-political affair where only one political party is allowed to exist aboveground and no opposition political activity is allowed. But examine that definition of totalitarianism, comrade. No opposition parties are allowed in China, Cuba, North Korea or North Vietnam. Such a narrow definition condemns the model revolutionary societies to totalitarianism. Despite the presence of political parties, there is only one legal politics in the U.S.—the politics of corporativism. The hierarchy commands all state power. There are thousands of ways, however, to attack it and place that power in the hands of the people.

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All levels of struggle must be conceived as inclined planes leading inexorably to a point where armed conflict will engulf two or more sections of the people.

Armed struggle or organized violence is the natural outcome of a sequence of historical events that have matured to the point of impasse. This is not to say that war is for us the only immediate recourse or the spontaneous result of a breakdown in lesser forms of political activity. I have always tried to emphasize that through every stage of political mobilization there must be a corresponding and equal military mobilization of the people's forces. One is inextricably tied into the other, and not simply for the reason unwittingly put forward by the old guard that fascism allows for no valid opposition political activity, though there is some truth in that position. My position is based on historical precedents that indicate the probable scope and range of violence in an American revolution.

In the present class structure we represent the group with the greatest revolutionary potential. We are black - the significance of which needs very little analysis here, though I will go into the mechanics of race at length later in dealing with the contextual structure of fascist hierarchy. But mainly my position is rooted in the long history of the American business oligarchy's penchant for violent repression of any forces that have threatened its centralist movement, and in the very natural defense reflexes of any form of state power. Although, as victims of one of history's most brutal contradictions, as the poorest of the poor, as blacks, it is quite justifiable and completely possible for us to destroy this country as a modern nation-state, to attack it with a totally destructive counter-sweep of frustrated retaliatory rage; that is not our purpose. As revolutionaries, it is our objective to move ourselves and the people into actions that will culminate in the seizure of state power. Our real purpose is

lower class and their vanguard party, the Black Panther Party. Real union activity will eliminate the corporative ties between the regime-ruling class and labor. People at the top will be removed and the guy with the programmed mind will have no union boss to think for him. He will remain neutral or join us in our fight to liberate him. We will work this attack at the productive level indirectly by first building our central-city communes, which will revolutionize the all too conservative black laborer. We will build these communes against all resistance, the pamphlet in one hand, the gun in the other. In blacks authoritarian traits are mainly the effects of terrorism and a lack of intellectual stimulation. They have been choosing the less dangerous and complicated mode of existence, survival. All classes, all people are subject to the authoritarian syndrome. It requires only the proper set of eco-sociological circumstantial pressures to turn blacks around and reawaken their revolutionary consciousness. We're hungry.

Our overall task is to separate the people from the hated state. They must be made to realize that the interests of the state and the ruling class are one and the same. They must be taught to realize that the present political regime exists only to balance the productive forces within the society in favor of the ruling class. It is at the ruling class and the governing elites, including those of labor, that we must aim our bolts. The average workingman will simply withdraw or watch with secret satisfaction or actively join in when we bring his union boss under attack. We blacks have lived with terrorism for generations. It no longer affects us. It will intensify. We must prepare a counter-terrorism. A man can never be so repressed that he cannot strike back in some way. But it must begin now. The Rand Corporation does 80 percent of its work for the military-industrial-intelligence complex; 750 or more colleges offer police science courses; 247 additional colleges offer associate degrees in law enforcement; 44 offer bachelor degrees. The National Guard numbers 390,000. The C.I.A.D. (Counter Intelligence Analysis



able is precisely what we are intended to believe, that the political takeover by monopoly capital was actually an advance in the welfare of the common people. Even the old left promotes the lie that valid concessions have been made by the ruling class, as if deceptively better working conditions and illusory wage increases were Marxism. A true Marxist revolution abolishes the wage system. The true welfare state would be the final and highest stage of social development, where the world and the state are one, where the material and psychological needs of the masses have been met and political regimes have ceased to exist. The New Deal and the resulting military industrial complex as welfare-state-ism—I swear I'll strangle the next idiot who repeats that line.

All the ingredients for a fascist state were already present: racism, the morbid traditional fear of blacks, Indians, Mexicans; the desire to inflict pain on them when they began to compete in industrial sectors. The resentment and the seedbed of fear is patterned into every modern-capitalist society. It grows out of a sense of insecurity and insignificance that is inculcated into the workers by the conditions of life and work under capitalism. This sense of vulnerability is the breeding ground of racism. At the same time, the ruling class actively promotes racism against the blacks of the lower classes. This programmed racism has always served to distract the huge numbers of people who subsist at just a slightly higher level than those in a more debased condition (in the 1870s the strikes frequently ended in anti-Chinese or anti-black lynchings). It conforms to dual requirements of the authoritarian personality (conformity accompanied by compulsive sadism). Racism has served always in the U.S. as a pressure release for the psychopathic destructiveness evinced by a people made fearful and insecure by a way of life they never understood and resented from the day of their birth.

In the U.S., World War II was the principal cause of the total breakdown of the working-class movement and its revolutionary consciousness, which had been built up by the crisis years of the thirties and all that went before them.

gens democracy faded in the process. As monopoly capital forced out the small diversified factory setup, the new corporatism assumed political supremacy. Monopoly capital can in no way be interpreted as an extension of old bourgeois democracy. The forces of monopoly capital swept across the Western world in the first half of this century. But they did not exist alone. Their opposite force was also at work, i.e., "international socialism"—Lenin's and Fanon's—national wars of liberation guided not by the national bourgeois but by the people, the ordinary working-class people.

At its core, fascism is an economic rearrangement. It is international capitalism's response to the challenge of international scientific socialism. It developed from nation to nation out of *differing* levels of traditionalist capitalism's dilapidation. The common feature of all instances of fascism is the opposition of a weak socialist revolution. When the fascist arrangement begins to emerge in any of the independent nation-states, it does so by default! It is simply an arrangement of an established capitalist economy, an attempt to renew, perpetuate and legitimize that economy's rulers by circumflexing and weighing down, diffusing a revolutionary consciousness pushing from below. Fascism must be seen as an episodically logical stage in the socio-economic development of capitalism in a state of crisis. It is the result of a revolutionary thrust that was weak and miscarried—a consciousness that was compromised. "When revolution fails . . . it's the fault of the vanguard parties."

It is clear that class struggle is an ingredient of fascism. It follows that where fascism emerges and develops, the anti-capitalist forces were weaker than the traditionalist forces. This weakness will become even more pronounced as fascism develops! The ultimate aim of fascism is the complete destruction of all revolutionary consciousness.

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Our purpose here is to understand the essence of this

living, moving thing so that we will understand how to move against it.

This observer is convinced that fascism not only exists in the U.S.A. but has risen out of the ruins of a once eroded and dying capitalism, phoenixlike, to its most advanced and logical arrangement.

One has to understand that the fascist arrangement tolerates the existence of *no valid* revolutionary activity. It has programmed into its very nature a massive, complex and automatic defense mechanism for all our old methods for raising the consciousness of a potentially revolutionary class of people. The essence of a U.S.A. totalitarian socio-political capitalism is concealed behind the illusion of a mass participatory society. We must rip away its mask. Then the debate can end, and we can enter a new phase of struggle based on the development of an armed revolutionary culture that will triumph.

On May 14, 1787, the Constitutional Convention with George Washington presiding officer, the work of framing the new nation's constitution proceeded with fifty-five persons and only two were not employers!!!

There have been many booms and busts in the history of capitalism in this nation and across the Western Hemisphere since its formation. The accepted method of pulling the stricken economy out of its stupor has always been to expand. It was pretty clear from the outset that the surplus value factor eventually leads to a point in the business cycle when the existing implementation of the productive factors makes it impossible for the larger factor of production (labor) to buy back the "fruits of its labor." This leads to what has been erroneously termed "overproduction." It is, in fact, underconsumption. The remedy has always been to expand, to search out new markets and new sources of cheaper raw materials to recharge the economy (the imperialist syndrome).

Conflicts of interests develop, of course, between the various Western nations and eventually lead to competition

for, Mellon, Du Pont, Hinds and Gettys, Fords and their minions and dependents. They use the ivy League universities and elite law schools as private schools for their offspring and as training grounds for their corporate hirelings. They rule with iron precision through the military, the C.I.A., the F.B.I., private foundations and financial institutions. Their control of all the media of education and communication comprises an extremely effective system of thought control. At the time when this ruling class was forming a hundred years ago, the International Working Men's Party supported strikes that asked only for reformist measures, although it was aware, even at that time, that reform was not the solution and it quietly advocated the seizure of the materials of production. The dichotomy between the longing for true freedom and the fear of its responsibility was apparent even then. Early radicals excused themselves by claiming that they were "exploiting the inherent contradictions of monopoly capital." They hoped that the masses would spontaneously awaken to the fact that capitalism had grown decadent. But capitalism reformed itself, apologized to no one, and went on to build a network of national and international centralization that stands unrivaled by any hierarchy past or present.

Reformism is an old story in Amerika. There have been depressions and socio-economic political crises throughout the period that marked the formation of the present upper-class ruling circle and their controlling elites. But the parties of the left were too committed to reformism to exploit their revolutionary potential.

The latest round of capitalism reform, the latest redirection of its energy, was its highest and last form. The struggles of the thirties, forties and fifties completed the totalitarianization of the country and perfected the system of total mass social deception. I've had learned men tell me that controlled capitalism, monopoly capital, fascism, corporatism, or whatever your vernacular, is a form of "welfare-state-ism."



York Central. Every time I hear the word "law" I visualize gangs of militiamen or Pinkertons busting strikes, pigs wearing sheets and caps that fit over their pointed heads. I see a white oak and a barefooted black hanging, or snake eyes peeping down the lenses of telescopic rifles, or conspiracy trials.

1. Mankind is biologically sick.
2. Politics is the irrational expression of this sickness.
3. Whatever takes place in social life is actively or passively, voluntarily or involuntarily, determined by the structure of masses of people.
4. This character structure is formed by socio-economic processes, and it anchors and perpetuates these processes. Man's biopathic character structure is, as it were, the fossilization of the authoritarian process of history. It is the biophysical reproduction of mass suppression.
5. The human structure is animated by the contradiction between an intense longing for and fear of freedom.
6. The fear of freedom of masses of people is expressed in the biophysical rigidity of the organism and the inflexibility of the character.
7. Every form of social leadership is merely the social expression of the one or the other side of this structure of masses of people...

—W. Reich, *The Mass Psychology of Fascism*

Revolutionary change always involves the complete alteration of the structure of property relations and the institutional substructures that support them. It leads from hierarchy to mass society.

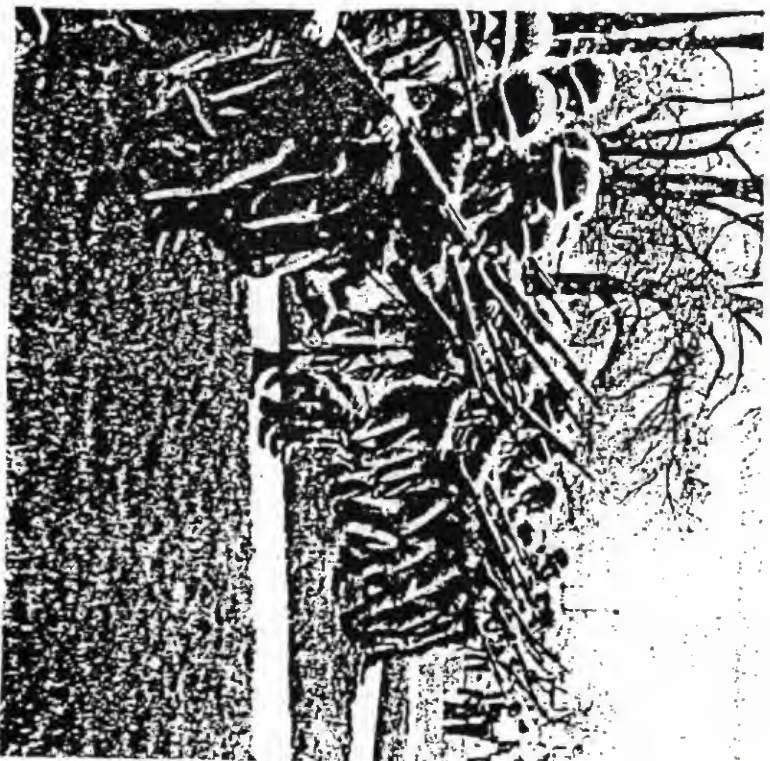
The ruling class in the U.S. is composed of one million men and their families—the Rockefellers, Vanderbilts, Mor-

for these markets. The result is always an ever-increasing international centralization of the various capitalists' elites, world-wide cartels: International Telegraphic Unions (now International Telecommunications Union), universal postal union, transportation, agricultural, and scientific syndicates. Before World War I there were forty-five or fifty such international syndicates, not counting the purely business cartels. The international quality of capitalism is not happenstance. It is clearly in the interests of the ruling class to expand and unite. I am one Marxist-Leninist-Maoist-Fanonist who does not completely accept the idea that the old capitalist competitive wars for colonial markets were actually willed by the various rulers of each nation, even though such wars stimulated their local economies and made it possible to promote nationalism among the lower classes. War taken to the point of diminishing returns weakens rather than strengthens the participants, and if the rulers of these nations were anything at all they were good businessmen. Expansion, then, which often led unavoidably to war, was the traditional recourse in the solving of problems created by a vacuous, uncontrollable system, which never considered any changes in its arrangement, its essential dynamics, until it came under a very real, directly threatening challenge from below to its very existence. Fascism in its early stages is a rearrangement of capitalist implementation in response to a sharpening, threatening, but weaker egalitarian socialist consciousness.

In regional or national economic crisis the traditional remedies also include measures which stop just short of massive expansion on the international level. Traditional controls short of expansion and war have always existed in the form of government intervention, tariffs, public expenditure, government export subsidy and limited control of the capital market and import licenses, and monopolies have always used government to help direct investment.



# Classes at War



*The National Guard at Kent State University*

## **Mobilization and Contramobilization**

Enough time has passed now since the emergence of fascism, the extreme crisis that precipitated it, and the hostilities that caused its early development to view it with less of the coloring that sensationalism and war propaganda necessarily create. We should now be able, after time has somewhat dulled the traumatic exchanges of debate and struggle, to analyze fascism objectively—its antecedents, its prime characteristics,

rations and interlocking trusts. The owners of the largest share of a nation's GNP will always control the political life and government of the state. Monopoly capital is corporatism (fascism!).

I don't think anything that ever happened in Italy, Spain, Germany or any of the other capitalist states can match the centralizing process that the U.S. went through in the last hundred years. Even the so-called public utilities (A.T. & T., the Santa Fe, the Pennsylvania RR, Western Electric, Western Union) are owned by financial institutions that, on examination, always turn out to be controlled by a few families who are descendants of the industrial expansionists of 1865-95.

The traditional Anglo-Saxon concept of law (founded on the latent principle that the haves must always be protected from the have-nots), though it did not attack labor as openly as in England, effectively prohibited the emergence of any really strong labor movement until the close of the nineteenth century. It did not prevent the war-profiteering Rockefeller petroleum combination from forming. It didn't stop Western Union from taking over the telegraph industry. It didn't stop Samuel Slater and the "Boston Associates" from tying up all the New England textile interests. The transcontinental railroad hookup (May 19, 1869—Union Pacific and Central Pacific) could have never been accomplished without government and commercial cooperation. Corruption and lawlessness were the basis of their commercial success, but no one was charged or punished by law. Any individual, on the other hand, who joined with someone else to effect an increase in his wage was guilty of conspiracy. That same law is still used to protect the same interests today. Anglo-Saxon law supported F.B. Gowen of the Philadelphia and Reading Railroad and its coal subsidy in cutting wages and breaking unions, just as it supported the KKK in reconstructing Southeastern U.S., King of the Baltimore and Ohio, Tom Scott of the Pennsylvania, William Vanderbilt of the New



sector of the landed aristocracy was broken; machine tools, transport, and communications boomed (the basis of the industrial state and, of course, an industrial elite, when raw materials—coal, iron and other ores—are not lacking); the price or value of labor shrank; and the "drive" toward monopoly accumulation was firmly established.

This period of capital accumulation, invention of new machinery, its use in expanding factory setups, the "closed economy" created by Republican government legislation, and the direction of certain amounts of capital through government contract were in part the beginnings of a new chapter in the authoritarian process of Western history. Industrial centralization, I mean the refined tactics of monopolized capitalism, may have been developed right here in the U.S.!!

This is the logical place to question some of the old left's historical assumptions about the last hundred years of life. Analysts of the old left are completely confused by the differences between bourgeois democracy and monopoly capital and their manifestations on the American scene. They seem to feel that both can coexist in the same society. Actually one simply grows out of the other. Monopoly capital is the central objective of corporate fascism. Prior to the Civil War and the emergence of the trends toward monopoly capital, Amerika was dominated by bourgeois democratic economics and political rule. The economy was based upon the diverse ownership of many thousands of factory units and a political arrangement to reflect that fact.

However, with the emergence and expansion of monopoly capital after the economic impetus of the Civil War, bourgeois democracy naturally began to fade. Bourgeois democracy, the political rule of the bourgeoisie, simply cannot exist after the emergence of monopoly capital. Monopoly capital has its own political expression. It develops as bourgeois democratic political rule declines.

The roots of corporativism-fascism were laid with the expansion of monopoly capital into the giant cartels, corpo-

and its goals. In denying its ideological importance I am not suggesting that all of its advocates (of the especially early period) were opportunist or deranged individuals reacting to a personal threat to their own situation within the society. A great many of the early fascist intellectuals were responding to a very real social situation. As intelligentsia, keepers of the particular nation's system of values, art forms and political thought, they felt it was their responsibility to attempt to resolve a growing social problem. My insistence upon the nonimportance of ideology indeed rests squarely upon this point: that most of the fascist intellectuals were reacting to the uprootedness and social disintegration of the particular moment, and with each change in the face of this state of affairs they were in large part forced to repudiate most of their former ideology. Weight is given to this observation by the fact that early fascism included an amalgam of expressionists, anarcho-syndicalists, futurists, Hegelian idealists, theoretical syndicalists, nationalists and, in the case of the Spanish Falange, intellectual anarchists.

The whole theme of this early face of fascism was not merely anti-communist but fundamentally a general indictment of decadence, bourgeois decadence. Fascism also absorbed some socialists. In 1914 the *Fasci di Azione Rivoluzionaria* formed itself out of a group of super-nationalist patriots favoring Italian intervention in the war against the Central Powers. Benito Mussolini, a leader of the extreme syndicalist faction of the Socialist Party, supported them vehemently in his newspaper *Il Popolo d'Italia*, and of course this resulted in his expulsion from the party. In March 1919, after the deep disillusionment and unrest caused by the Italian participation in the war, Mussolini formed the first real *fascio*. The intellectuals that supported him did not do so out of a sense of the usual role of the intellectual in society (i.e., to educate, to set the values of that society) in a time of extreme social disintegration and economic crisis. Men like Benedetto Croce and Arturo Tos-

canini, and others like Giovanni Gentile and Gabriele D'Annunzio (one of Italy's greatest poets), supported Mussolini almost out of desperation at what they felt to be a destructive national breakdown. All four were elitist and may have also felt that their status as intellectuals was also threatened. Recall, the Russian revolution had shocked the world to its foundations about this time. The general disregard of the Socialist Party for any art form or scientific activity that did not serve the state, and its tendency to factionalize and procrastinate alienated many of the nation's top intellectuals.

But the final reason why the importance of ideology in fascism must be denied is the fact that it exists in more than one form. In fact, historically it has proved to have three different faces. One "*out of power*" that tends almost to be revolutionary and subversive, anticapitalist and antisocialist. One "*in power but not secure*"—this is the sensational aspect of fascism that we see on screen and read of in pulp novels, when the ruling class, through its instrumental regime, is able to suppress the vanguard party of the people's and workers' movement. The third face of fascism exists when it is "*in power and securely so*." During this phase some dissent may even be allowed. In Italy, Trilussa the poet wrote and published more bitter and biting satires attacking the political regime than can be found in any of the so-called liberal-democratic states. In April 1925, three years after the fascist March on Rome, Benedetto Croce was able to publish a clearly anti-fascist manifesto.

The finished product, the actual fascist arrangement, is diametrically opposed to its original ideology. The regime turns openly traditionalist and idiots like Mussolini receive the favor and compliments of other idiots like President Roosevelt, Bernard Shaw, Du Pont, Kennedy, and H.G. Wells. This stems from an inevitable conflict between the form of a new spiritualistic man and the theory of the old materialist man. The ideals of obedience and creativity, author-

Philadelphia and Baltimore where mutual-aid craft societies attempted to gain higher wages and shorter working hours. Resistance from employers and their backers in government to these mild organizational efforts forced the establishment of the first trade unions, the Philadelphia Printers Union, the New York Typographical Union of 1794, Journeymen Cabinet and Chair Makers of 1796. The first wage strike was organized by the Society of Journeymen Cordwainers (shoemakers) of Philadelphia. It lasted ten or eleven weeks in 1799 and was broken by right-wing terrorist activity.

The laying to rest of *laissez faire*, the shacking of Adam Smith's "invisible hand," really began during the Civil War in the U.S. The petit-bourgeois dream of countless contending private proprietorships somehow managing a mellifluous blending of private and state interests—when long-range plans could still be made by wage workers to be proprietors one day—became a nightmare with the advent of the mass manufacturing process. At the opening of the Civil War, the U.S. was ranked fourth among the world's industrial states behind the English empire, the German states and France. By 1870 the U.S. industrial manufacturing plant had doubled the value of its products. The number of factory workers drawn out of other sectors of the economy caused the industrial work force to nearly double during this same period. Improvements in the arts of agricultural production drew some workers from the countryside and sent others westward toward the closing frontier. The craftsman lost his privileged economic position with the appearance of newly invented mass production machinery. This new machinery and the factory setup in general made individual workers more expendable and made it possible to reduce their share of the profits. By the mid-1890s the U.S. was producing one-third of the world's manufactured goods, and was on its way to becoming first among the world's industrial states.

The expansion of U.S. industry out of the demands of the Civil War involved a complex concentration of several violent and predictable capital mandates. The old traditional



ity and freedom, are so contradictory of each other, so mutually exclusive, that the ideology of fascism could never be taken seriously.

The pseudo-intellectual origins of fascism can be traced all the way back to ancient Greece. The German National Socialist apologist Alfred Baumbach and expressionist Gottfried Benn both recognized Hegel, as did some of the Italian intellectuals and Eastern European fascists. The Western Europeans, however, favored the primitive, withdrawn ideals of Nietzsche or a confused combination of Nietzsche and Hegel with a bit of Plato's philosopher king added for window dressing. Actually, there have been as many different fascist ideals and arrangements as there have been fascist societies. Which brings us to the relevant point of inquiry. The importance or form of a particular political regime can never be understood simply as it stands alone. Its social and economic past must be investigated and clearly defined before the distinctive being of the political realm takes shape.

It wasn't until the mid-nineteenth century that Germany and Italy reached nation-state status. Their heavy industrial sectors were rapidly expanding and coming into conflict with the traditional economic sectors. Though there were some clashes of interest within the extended family of the ruling classes at the point of their emergence into Western bourgeois culture, the section controlling the largest share of the GNP in all cases finally succeeded in gaining an even greater hold over the direction of the economy, with class interest generally working a compromise. The final result always involved a higher degree of centralization of power and control. I term this contra-positive mobilization. It occurs when the capitalist industrial sector of a particular society succeeds in altering the preexisting equilibrium in its favor. The period in question was characterized by the movement of masses from the traditional agricultural sector into the sweat shops (large and medium) of the cities. A policy was designed by this capitalist class to limit the range of choices of the newly mobilized masses. But

render to German expansion did not necessarily originate in Kennedy's mind. He was official ambassador of the U.S. to England.

There was positive mobilization of workers and the lower class, and a highly developed class consciousness. There was indeed a very deep economic crisis with attendant strikes, unionizing, lockouts, break-ins, call-outs of the National Guard. The lower class was threatening to unite under the pressure of economic disintegration. Revolution was in the air. Socialist vanguard parties were leading it. There was terrorism from the right from groups such as Guardians of the Republic, the Black Legion, Peg-leg White-type storm troopers and hired assassins who carried out the beginnings of a contra-positive suppressive mobilization. Under the threat of revolution, the ruling class, true to Marxian theory, became all the more co-optive and dangerous. F.D.R. was born and bred in this ruling class of families. His role was to form the first fascist regime, to merge the economic, political and labor elites. Governing elites/corporate state/fascism —his role was to limit competition, replace it with the dream of cooperation; to put laissez faire to rest, and initiate the acceptance of government intervention into economic affairs.

A great many of the early trends of American history prepared the way for the ultimate success of fascism in its highest form. From the very beginning of America's existence as an independent nation-state there were localized labor organizations that attempted to further the interests of their class by influencing the social, political and economic life of the new nation. It wasn't until the second half of the nineteenth century that labor took on a national character and began to make its presence felt in the economic life of the nation. Even then, it was resisted by the violence of employers and government working together. Marx's definition of history as a broken, twisted, sordid spectrum of class struggles is substantiated by American labor history. The earliest significant struggles between labor and capital began in the 1790s on the East Coast in cities like New York,



"the specter of communism" was "haunting Europe." The working masses began to organize and exert increasing influence in the realm of politics. This we will term positive mobilization.

So a three-sided political struggle opened the twentieth century. Actually it was a two-sided struggle: the proletariat against the ruling class. A multitude of conflicts existed within the ruling class, particularly between the older traditionalist sectors and the manufacturing class. Within these two factions there were a number of separate interest groups. The corporative ideal had its roots in this conflict. Elitist, conservative economists like Pareto theorized around such concepts as "governing elites," and "general equilibrium." The object of course was to diffuse the positive mobilization of the working class. The system itself was ostensibly designed to balance the interests of all economic classes and substructural groups. However in fact, its principal purpose was to check the growth of the vanguard party's influence on the working class. In its beginning, especially in Italy, it was too vague and difficult to control. General equilibrium was never reached and class struggle went on unabated. Class consciousness sharpened and the old bourgeois democratic states, torn from within and in conflict with each other, rushed toward their own ruin.

There is another form of mass mobilization that has strong socio-economic significance. It lies between positive and contra-positive mobilization. It involves the men who were uprooted to serve in nation-state wars. Those who were recruited from the agricultural sector generally gravitated to the cities after their release, further dislocating the economy in favor of the modern sector. The traditional agricultural sector was forced to mechanize (modernize) and pull marginal land out of production. In some areas agriculture collapsed altogether. The result was the need to import foodstuffs and other agricultural products. This may or may not have damaged the overall economy, but in any case it represented another function turned over to the modern sec-

*forcibly balance trade in its favor to survive. No amount of logic or dissent can influence the men who have vested interests in the life of such an arrangement! Only organized violence and armed struggle could have stopped them before they lost their minds and destroyed so many lives. The counter-terrorism of the socialist parties' vanguard and the proper direction of the people's consciousness could have changed the whole course of history over the last fifty years. Once fascism moves into its third phase and contra-positive mobilization (the psycho-social antithesis of lower-class mobilization) insinuates itself technologically with weapons and control of the means of the people's subsistence, limiting their vision to their own personal short-term interests with propaganda and empty promises, "only he who does not fear death of one thousand cuts" can then unseat the Fuehrer.*

The United States was not existing in a vacuum when fascism first swept the Western world on the heels of two great depressions. My reading of history indicates that the U.S. was in greater economic, social, and political crisis after the 1929 stock market crash than any other Western country excepting possibly Germany. The same trends, the same experiments, the same internal battles were fought by the same forces for the direction of the nation's economy. The extreme economic crisis of the early thirties brought working-class revolutionary consciousness to its very peak. All serious commentary on this period reflects a profound lack of confidence in the workability of capitalism. This avalanche of criticism came from sectors of the middle- and right-oriented thinkers as well as the left—just as it did in Italy, Germany, Rumania and the other fascist storm centers. But of course the middle and rightist intellectuals were thinking in terms of a new direction for capitalist growth, not in its abolishment—a "New Deal," much like those of Nazi, Fascist, and Falangist Europe. No serious or honest student could miss the likeness. F.D.R. was a fascist. His stated, documented congratulatory messages to Mussolini were not simply diplomatic gestures. Joseph Kennedy's advice to England to sur-



than in any other European nation before and after the fascist takeover, so consciousness "alone" is obviously not the factor that determines which way a disintegrating society will develop—fascist or socialist. The task of defusing the people's labor movement and balancing it in favor of the few special individual heavy industrial firms (Reichswerke-Hermann Göring-Krupp) and the vital interests of the increasingly important chemical industry (I. G. Farben, etc.), fell to the regime-sponsored Labor Front. Its first attempt to appease labor came in the form of slightly improved working conditions, meaningless slogans like "Strength through Joy" which echoed the Anglo-American work ethic. Even after the forcible suppression of the vanguard party by the Gestapo in the first years of the regime, the potential political power of labor (due to the workers' importance in the production of heavy armaments) was such that really effective measures for controlling it were not devised throughout the tenure of the Third Reich. Wage increases couldn't be avoided. Rigorous state controls replaced mild repression and propaganda only after the Sudetenland affair of 1938 and the accentuated armaments drive of 1939. Because wages could not be successfully held down (the individual firms were after profits, bear in mind; consequently they devised many indirect incentives designed to attract a shrinking labor market), measures were taken to limit the movement of laborers from place to place, and the other factors of production were openly channeled into the armament sectors by stringent government intervention. All idealistic, ideological pretenses were dropped. Racism and the interests of the military-industrial complex formed the economic and psycho-social motives of the society and shook it apart.

The German economy was already in ruins by the time the Reich expanded into Russia. This expansion itself was a symptom of the economy's death-directed lack of discipline. Its own internal contradictions and deceptions destroyed it. An actual military-based economy "must expand to live, must

After World War I international capitalism went through an expansion phase of the business cycle. At its base were the regenerative effects of war on capitalist production and speculation. But the boom was brief. The great war had taken the whole business of destruction of surplus to the point of diminishing returns. The years 1920 to 1925 were spent in recession and depression across the Western world. The few years that followed—from 1925 to 1929—business "roared" back to recovery and expansion. Industrial manufacturing around the Western world and parts of the Third World (Japan, Argentina, Brazil) increased by 25 percent. The volume of world trade increased accordingly. However, an increase in the arts of agricultural production, under the strain to modernize without a corresponding increase in the ability of the great laboring masses to buy back what was being produced, precipitated a sharp fall in the price structure of foodstuffs in one of the world's largest agricultural centers, the United States. It was underconsumption (not overproduction), and it led to the fatal stock market crash of 1929. The whole Western world went into recession and deep depression.

Two countries were little affected by the general breakdown: Russia, which had taken itself off the wheel with a successful socialist revolution, and Italy, which had established a strong economic centralization that tended to close her economy off from the other bourgeois states. Italy had already established fascism shortly after World War I during the 1920-25 economic crisis. That war had mobilized millions of Italians, most of whom were uprooted from traditionalist sectors of the proletariat. They had gone through the changes that most other Western countries were about to adopt. The key element that made the economic policy of fascist arrangements unique was the emphasis on "reform through government intervention." The opposite of Adam Smith's "invisible hand" working to coordinate economic activity. The opposite of the French revolutionary battle cry

"laissez faire."

Big business was in a crisis, of course, after the short boom following World War I. The giant cartels and the national industrial and financial monopolies were starved to the bone in both periods of fascist rearrangements (the early twenties and all of the thirties). This gave the movement its seemingly middle-class antecedents. Where large-scale manufacturing was not in complete control, its straining to emerge as the dominant force within the economy was resisted by the petit bourgeois, the landed classes and the medium proprietor. Here we see fascism in its out-of-power "stage one." We hear its language sounding deceptively antieconomic: "parasitic capitalism," "illegitimate capital," "rapacious capital," etc., etc. This was true in Italy and with early fascism, in Falangist Spain and in Germany.

Mussolini, who set up the first successful fascist regime, was a man trained all of his life in the revolutionary tactics and strategy of scientific socialism! His departure from the international socialist movement dated from the moment he gave his unreasonable support to a nation-state war in which the working class of one or more nations was manipulated into the murder of the working class of other nations by the ruling classes of the respective states.

His opposition to the Socialist Party and his participation in reformist capitalism were no doubt due to the factionalism and basically reformist attitude of the Socialist Party. In spite of the fact that the Socialists won 156 seats in the Chamber in the elections of 1919 (over 50 percent more than the next largest political party, the Catholic Popular Party) and won majorities in the councils of 2,202 communes and 26 provinces (there were 8,507 communes and 69 provinces) in the general administration elections of the following year, and in spite of the fact that the Socialist General Confederation of Labor had grown from 300,000 members before World War I to almost 2.5 million members in 1920, the Socialists still seemed powerless to solve the nation's economic problems with the promised revolution. In 1920 the

flea markets. Consequently we see these areas as the most glaring dichotomy of socio-economic injustice. In the shadow of their plush beach resorts which attract degenerates from all over the Western world, literally within rifle shot, live the people who service these vacation-resort complexes in disease-infested corrugated tin shanties on hillsides constantly ravaged by mudslides. A strange combination of the first two phases of fascism. Without the massive military aid of the United States, Gestapo "death squads," and the most intensive rightist terror, the guns of liberation would by now have certainly filled the streets and forests with blood "to the horse's brow." It is important never to lose sight of Latin America's neo-colonial status. A victory for the people's liberation armies entails a victory over international capitalism and especially a victory over their colonial masters. The puppet regimes of these areas cannot move firmly into phase three of the fascist arrangement for two reasons. The people are willing to use arms and are learning to use them more effectively, and because the regimes are imitative, not indigenous, they do not reflect the real interests of the nations' elites, but rather the interests of the ruling elites of the parent imperial nation, the U.S.A.

Germany attempted to rearm, deflate its currency, and at the same time continue to meet the war-swollen demands of heavy industry. It finally fell of its own weight. The fascist economic arrangement failed under the pressure of war in Germany, in Austria, in Italy and Japan, as later it failed the first regimes in Brazil and Argentina. The principal failing was very much the same that brought down laissez faire. The capitalist business cycle cannot be controlled. Inflationary spasmodic attacks, regional recession and depression pursue capitalism in all its forms like a nemesis, break its spirit, reduce its top-heavy bureaucratic backbone to jelly. Inflation, at first the key to regeneration after an extended collapse, ultimately leads to complex problems that seem to be beyond regulatory remedy. To control it by compressing wage demands always turns out to be politically unsound.



and Argentina. Their dependence on foreign trade and their neo-colonial status, which involves dependence on "foreign investment." When exports fall as they did during the depression of the thirties, the value of the national currency must also fall, and it follows that imports automatically decrease. The battle to balance payments begins, necessitating massive governmental intervention which leads inexorably to inflationary domestic economic policy and sometimes to a conflict of interest with the ruling class of the parent nation. Concern for balance of payments determines internal economic motives. The deficit financing, the attempt to control incomes (by controlling labor), price fixing, government stockpiling of agricultural surpluses, positive direction of investment and the balancing of the interests of the dualistic economy's elites can all be pointed to as evidence of an attempt to employ the centralist controls that characterize the classic fascist arrangement.

The first fascist regime of Brazil was headed by Vargas. It lasted from 1930 to 1945. Coffee exports formed 70 percent of the nation's GNP prior to Vargas' takeover and the Depression. When international trade (especially in agricultural goods) collapsed, Vargas was forced to attempt experiments with the so-called closed economy. New internal markets had to be created, investment and motives relocated, industrialization attempted. But all of this planning, though successful to an extent, was still basically imitative and did not accurately reflect the realities of the nation's inability to accumulate capital.

It is extremely important not to confuse the three faces of fascism when studying Latin America. The second phase (in power but not secure) is the really significant part of the whole fascist episode. Regime after regime has failed to increase internal demand or unseat the traditionalist landed elite in favor of the small industrial interests; this means a permanent dependence on foreign trade and investment for machine tools, for weapons to control the people's movements, and for raw materials to feed their light industries and

Socialist Party seized control of all the nation's steel-manufacturing plants but, incredibly, returned them to the private interests. Several accounts claim that the workers couldn't run the plants—but if the makers of steel can't make steel . . . ? Obviously it was a problem of direction and management in the vanguard party. There were strikes, slowdowns, lockouts and the kinds of disorders that precede revolution (or counterrevolution). In the years following the war and during the early depression of 1920-25 Italy could have gone either socialist or fascist. There were partisans enough in both parties to lead the uprooted, disintegrating society into a new direction. The difference was in the nature of the leadership, along with the question of who would be willing to commit their whole fortunes and futures to the battle.

Mussolini took his Black Shirt army and moved to the fight killing and suppressing his opposition for the interests of an armed industrial-traditionalist elite. He was well educated in the science of positive mobilization, which made him the natural architect of a contra-positive mobilization intended to diffuse the working-class movement. He "seized power" in 1922 with the full support of the northern industrialists, the petit bourgeois, and the older traditionalist agrarian interests. The 1921 elections left his party with only 35 seats out of a possible 535 in the parliamentary body. But by applying violence judiciously and scientifically as he had learned from Lenin, he was able to force the abdication of the king and the constitutional monarchy and form the first political regime representing the new direction of capitalist development. "Eyes right"—he pumped bullets into the old left and new life into capitalism. The people were to exist solely for the state (the ruling class). This was the very antithesis of socialism. This period marked the "second face" of fascism, "the dark night" when it was still insecure.

But it went on to develop a "closed economy" with directed investment in public works projects. It proceeded to fill the economic vacuum with surplus capital and super-

nationalism.

"Believe, fight, obey." State-protected industries, mainly in munitions and shipbuilding. Italy extended her power facilities and opened new marginal agricultural land for its new slaves. New educational facilities and new "educators" (out of 1,250 university professors only twelve refused to take the academics' oath of loyalty to the regime in 1931) were also part of the reforms. Taken all together the reforms turned out to be extreme reaction. The government of 1870 had seized the papal states. The regime brought back the old religion. In 1929, in spite of the unrewarding experiences of World War I, the regime was allowed to make war again in Africa, in Europe. This marked the "third face" of fascism—in power and secure.

The point here is that fascism emerged out of weakness in the preexisting economic arrangement *and* in the old left. And the weakness must be assigned to the vanguard party, not the people. The People's Party failed to direct the masses properly with positive suppression of their class enemies and their goons. Mussolini was able to proclaim that fascism held the only solution to the people's problem—by *default*. Fascism, the new arrangement, the rearrangement, the strengthening and reforming of laissez-faire competitive capitalism, was antisocialist from its inception. It attempted to conceal the reality of class struggle by disguising itself as a new solution to "national problems," by deifying the interests of the "whole state"—which turned out to be the interests only of the state's ruling classes.

Fascism is always a response to a threat to the establishment. Any anti-establishment actions taken by the strictly political arm of a forming fascist arrangement are simply attempts to centralize or upstage the capitalist industrial sector—either to establish it, as in Spain, or modernize it, as in those cases where marginal productive interests are absorbed or destroyed by the arrangement. It is significant to note that no fascist regime "*in power*" has advocated the abolition of any form of private ownership. The fascist

labor when it was short, and the control of labor organizations basically comprised the whole of the new fascist "economic arrangement" which attempted to reduce the vast strata of classes and class interests of the preexisting state of the economy to just the two principal classes—the haves and the have-nots.

The psycho-social dimensions of fascism become quite complex, but they can be simplified by thinking of them as part of a collective bargaining process carried on between all the elites of the particular state with the regime acting as arbitrator. The regime's interests are subject to those of the ruling class. Labor is a partner in this arrangement. At the head of any labor organization in the fascist state, there is an elite which is tied to the interests of the regime—and consequently tied also to the economic status quo.

The trappings of this pseudo mass society are empty, cheap, spectacular leisure sports; parades where strangers meet, shout each other down and often trample each other to death on the way home; mass consumption of worthless super-suds or aspirin; ritualistic, ultra-nationalistic events on days to glorify the idiots who died at war or other days to deify those who sent them out to die. A mass society that is actually a mass jungle.

At its core, fascism is capitalistic and capitalism is international. Beneath its nationalist ideological trappings, fascism is always ultimately an international movement.

Many of the fascist regimes that failed or lacked thrust—the Belgian Rexists, the Dutch N.S.B. (National Socialist Movement) Japan's arrangement, Rumania's Iron Guard—were all essentially too imitative and inflexible. Even the totalitarians must be supple and responsive if they are to survive. Peronism was imitative as was the Brazilian *intelligentsia*. They were emulating their colonial masters in the U.S.A. So one fascist regime falls to another more efficient fascist regime.

Two factors must be seriously considered when analyzing the two largest fascist states in Latin America—Brazil



tected themselves from totally destructive competition by using the regime as referee. After the Great Depression and the international rise of fascist states by default, refinements in its simple currency control methods were introduced. The replacement of competition with cooperation among the private interests became more standardized. The Germans realized that inflationary currency control would have little real effect on the expansion of heavy industry without also controlling the capital market. Direction of investment was also a key factor in the arrangement. Again, the regime functioned as a centralizing, mitigating influence. Real wages began to fall and industrial production rose. Considered against the Gross National Product, investment rose 25 percent by 1937 in Germany. The same 25 percent figure held true for Japan in the middle and late thirties. From 15 percent of GNP at the lowest point of the Great Depression in fascist Italy, annual average investment in industry rose to 19 or 20 percent in the years 1936-40. Because Italian fascism was already established when the entire Western capital market's banking system failed, there was a sizable amount of quasi-government ownership. The "Industrial Reconstruction Institute" established by the regime was quite simply a financial institution, a huge bank. It also indirectly owned or influenced large sectors of the nation's heavy industry—a further hint at an upward thrust of the middle classes to fill in sections of the traditional ruling class destroyed by the forces of the business cycle. In general, the developments and experiments in controlled capitalism resulted in a concentration of economic power in the large monopolies. The crisis in German foreign exchange murdered the small businessman. Small agricultural units tended to disappear because of low wages, low consumption and large increases in the arts of agricultural production. The necessity for government intervention increased as the interests of the private elites generated new tensions. The breakdown of the big industrial pattern into sections, the regulation or elimination of real competition except, of course, for

regime and private ownership work hand in hand. No modern political regime can exist for long without the cooperation of those who control the means of production.

The shock troops of fascism on the mass political level are drawn from members of the lower-middle class who feel the upward thrust of the lower classes more acutely. These classes feel that any dislocation of the present economy resulting from the upward thrust of the masses would affect their status first. They are joined by that sector of the working class which is backward enough to be affected by nationalistic trappings and the loyalty syndrome that sociologists have termed the "authoritarian personality." One primary aim of the fascist arrangement is to extend and develop this new pig class, to degenerate and diffuse working-class consciousness with a psycho-social appeal to man's herd instincts. Development and exploitation of the authoritarian syndrome is at the center of totalitarian capitalism (fascism). It feeds on a small but still false sense of class consciousness and the need for community. The collective spirit in fascism is a morbid phenomenon that grows out of the psychopathology of mob behavior.

With each development in the fascist arrangement, the marriage between the political elite and economic elite becomes more apparent. The integration of the various sectors of the total economic elite becomes more pronounced. The Rumanian Iron Guard was no exception. It would have eventually bedded down with the "owners" and "financiers" and integrated the archaic sectors of the traditional capitalist elites with the modern sectors had it not encountered the Red Army.

The generals and colonels of the various Latin American fascist regimes are attempting contra-positive mobilization and functioning as an instrument to balance the interests of the traditionalist with the more modern sectors of the neo-colonial nations. It is very misleading to regard them as the "ruling class" of such nations, or to consider them as part



of a populist movement. As in Rumania and Spain, state intervention simply serves the best interests of a diminishing capitalist ruling class by restructuring it and destroying the people's labor movement. Capitalist political regimes cannot exist of their own. Without the support of government, capitalism simply could not prevail. Peron was a fascist. The peace he worked out between labor and "owner" was subtle and disguised but nonetheless fascist in that it appeared and diffused the worker's resentment of the nonworker and effected a quite efficient counter-positive mobilization. Peron maintained an apparent popular appeal throughout his years as head of state because of the vanguard party's willingness to settle for reformism and tokens in a less than junior partner relationship with capital. His arrangement of the fascist state was indeed singular. Like the U.S.A., the original structure of the society in which he had to work his scientific manipulations had only one available sector large enough and uprooted enough (without strong left direction) to carry his movement—labor. Peron the fascist found his strongest support in labor. He was finally deposed when he lost the favor of the economic elite. At heart all fascist manipulators are elitist and revere private ownership. They are backward and reactionary to the ultimate extreme of self-destruction. Peron might have held on to his position had he chosen to serve the laboring class honestly and make it a genuine power base for the society—one which truly embraced their interests—by nationalizing the productive facilities and turning them over to labor's management. But fascists would rather die or flee than support the total revolution. So they must be slain!

The very first step in establishing the "whole interest of the state," the combine, the corporate state, is to dismantle the working-class movement and replace it either with a state-controlled organ or no organization at all. The corporate laws passed in Italy in 1934 served only to sanction the complete destruction of the proletarian movement. At the same time they set up an automatic defense mechanism

against future labor activity. In disputes, labor was represented by men sworn either to the state or without the skill and intelligence to effect labor's demands. The manufacturing class had long since literally married into the regime. In Italy the fascist party cadre spread throughout the nation organizing people left aimless by the failure of the positive mobilization of the socialist vanguard parties: people who had dropped out, defected; people who became uprooted and unemployed either by the war or the deflated economy. This organizing must be considered contra-positive mobilization in that its intent was to inflate the capitalist economy and deflate the worker's and people's influence and control over the economy. With easy credit, inflationary financing, and increased government sponsorship of public works projects, fascism in Italy, Germany and Japan succeeded in restructuring capitalist productive institutions and traditional property relations. After the takeover, Italy recovered rapidly from the 1920-25 postwar depression. The ordinary complexities created by inflationary budgeting did not immediately manifest themselves because of the preexisting state of the economy. The untapped productive factors—capital and labor—were grinding to a standstill. Cost of living and cost of production under those circumstances did not immediately rise to the point of crisis (diminishing returns for capital, decrease in real wages of labor). Later in both Italy (1925-26) and Germany (1937-38) this inflationary budgeting showed damaging trends and set off a chain reaction in Germany that may have eventually led to its downfall. However, the heart of the fascist economy is an attempt at control through centralization: monopoly capital control, price fixing, wage freezes, and carefully balanced foreign trade.

The first currency crisis stimulated by Italy's inflationary policies (initiated in 1925) resulted in the stabilizing of the lira by decree in 1927. A controlled deflationary period followed, effected through the banking systems which the regime influenced by decree or advice. Private interests pro-